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for repayment of the bonds, and if the quarter horse people are so sold on their own activities, this gives them a proper place for recognition and I think that we must recognize, now first, when we first had pari-mutuel betting, I think the rate was 2%, but the Legislature in its wisdom has decided to go from three to four to five and this is a fair appraisal and no tracks are having any financial problems in this area because of the tax and they have determined that 85% was not objectionable to them. However, if we want to recognize there are other types of horses running in the state, and if they can operate and induce the bettor to come to them with an 82% pay out, then fine. If they do not desire this, then they will not have a track, evidently, or if they can finance it some other way, it gives them that option for a fair and a possible chance of repayment of those bonds.

PRESIDENT: Senator Dworak.

SENATOR DWORAK: I have one other question of one of the horse race experts on how the tax is figured. If Senator Schmit or Senator Burbach will answer it, I will ask the question of whoever wants to answer it. How do we figure pari-mutuel tax? Is that on the total amount wagered or on that amount that is retained?

SENATOR BURBACH: The tax today is 5% (inaudible)...

SENATOR DWORAK: Of what?

SENATOR BURBACH: ...85% of each dollar that is wagered. Now on a ticket, it is 10¢ on each ticket. It is \$2.00 tickets I am talking about now, sir. It is \$1.70 returned to the bettor and then there are 20¢ retained for the track and the horsemen out of the \$2.00 bet. So in a 1%, if we are talking about 85% of the \$1.00 that is bet, 85¢ returned to the bettor, 5¢ goes to the state General Fund, 5¢ goes to the horsemen by negotiation, 5% is retained to the track.

SENATOR DWORAK: Is this going to affect the amount of the state take at all?

SENATOR BURBACH: No way possible, sir.

SENATOR DWORAK: So we are still taxing, the state tax is still figured on 85% or 85¢?

SENATOR BURBACH: No, it is not. It is figured on \$1.00.

SENATOR DWORAK: 5¢ out of every dollar is retained by the state.

SENATOR BURBACH: 5¢ out of every dollar that is bet goes to the State of Nebraska, 5% to the track, 5% to the horsemen and 85¢ is paid back out to the bettor.

SENATOR DWORAK: So, essentially, what we are doing here is taking some of the money out of the bettor's take?